



FAR EAST TECHNOLOGY INTERNATIONAL LIMITED

(Incorporated in Hong Kong with limited liability)

SHARE TRANSACTION

The Company has entered into a subscription agreement on 14 June 2000 to subscribe approximately 18.30% of the enlarged issued share capital of Tricom for a total consideration of HK\$45,750,000 which will be satisfied (a) as to HK\$33,250,000 by the allotment and issue of 33,100,000 Consideration Shares in the capital of the Company to Tricom at an issue price of about HK\$1.01 per Consideration Share; and (b) as to HK\$12,500,000 by payment in cash to Tricom.

The principal business activities of Tricom is to provide seamless end-to-end or total eBusiness integration services, broadband network solutions, wireless communication and IT technology to enterprises in Hong Kong and China.

The Subscription Agreement is subject to and conditional upon the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Consideration Shares.

The board of directors (the "Board") of the Company is pleased to announce that the Company has entered into a subscription agreement on 14 June 2000 (the "Subscription Agreement") to subscribe 1,120,000 new shares (the "Subscription Shares") in Tricom representing approximately 18.30% of the issued share capital of Tricom as enlarged by the issue of the Subscription Shares.

The Subscription Agreement

Date: 14 June 2000

Parties:

Goodway Holdings Limited (the "Subscriber"), a company incorporated in the British Virgin Islands and a wholly owned subsidiary of the Company.

Tricom Cyberworld Holdings Limited ("Tricom"), a private company incorporated in Hong Kong on 29 October 1999. The directors and beneficial owners of Tricom are independent third parties not connected with any of the directors, chief executive or substantial shareholders of the Company or its subsidiaries or their respective associates (as defined in the Rules Governing the Listing of Securities on the Stock Exchange).

Far East Technology International Limited (the "Company"), a company incorporated in Hong Kong and its shares are listed on the Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Subscription Shares

1,120,000 new shares of HK\$1.00 each in the issued capital of Tricom representing approximately 18.30% of the issued share capital of Tricom as enlarged by the issue of the Subscription Shares.

Consideration

The aggregate consideration for the Subscription Shares shall be the sum of HK\$45,750,000 which will be satisfied (a) as to HK\$33,250,000 by the allotment and issue of 33,100,000 new shares of HK\$1.00 each (the "Consideration Shares") in the enlarged issued capital of the Company credited as fully paid at an issued price of about HK\$1.01 per new share to Tricom; and (b) as to HK\$12,500,000 by payment in cash to Tricom on Completion of the Subscription Agreement.

The cash payment portion will be financed from internal resources of the Company.

As at the date of this announcement, the Consideration Shares represent (1) approximately 11.08% of the Company's existing issued share capital of 298,568,905 shares; and (2) approximately 9.97% of the Company's issued share capital as enlarged by the issue of the Consideration Shares.

Basis

The consideration was determined after arm's length negotiations between the Company and Tricom with reference to the amount of HK\$250 million representing approximately 2 times the price revenue of the projected revenue of Tricom of HK\$120-130 million for the financial year ending 31 December 2000 based on the forecast provided by Tricom. Although no independent valuation would be done, the directors of the Company believe that the consideration represents a fair value to the Subscription Shares as compared with the price revenue of other similar companies listed on the Growth Enterprise Market ("GEM") and that the subscription is beneficial to the Company and its shareholders.

The issue price of about HK\$1.01 per Consideration Share represents a premium of about 34.66% to the closing price of HK\$0.75 as quoted on the Stock Exchange on 14 June 2000 and a premium of about 40.27% to the average closing price for the last 10 trading days prior to the signing of the Subscription Agreement.

Condition

The Subscription Agreement is subject to and conditional upon the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Consideration Shares.

Completion

Completion of the Subscription Agreement shall take place on or before the 10th business day after the condition set out above shall have been fulfilled. The Consideration Shares will be issued pursuant to the general mandate granted to the directors of the Company at the annual general meeting held on 21 June 1999. It is expected that Completion will take place on or before 15 July 2000.

Shareholdings in the Company

As at the date of this announcement, Far East Consortium International Limited ("FECIL") and Cape York Investments Limited ("Cape York") hold approximately 31.33% and 10.18% of the issued share capital of the Company respectively. Cape York is a company owned by Mr. Dennis Chiu and Mr. Daniel Tat Jung Chiu, who are directors of the Company. Following completion, the aggregate interests of FECIL and Cape York in the Company for the purposes of the Securities (Disclosure of Interests) Ordinance will reduce to approximately 28.20% and 9.16% respectively. Tricom will have acquired approximately 9.97% of the enlarged issued share capital of the Company on Completion.

Information relating to Tricom

Tricom is a Broadband Total Service Provider specialized in providing vertical B2B (Business to Business) and B2C (Business to Consumer) eBusiness solutions and services to enterprises in Hong Kong and China. It is run by a team of Internet, IT and Telecommunication professionals with extensive international exposure. Its business scope covers narrowband/broadband network solutions, Internet/Intranet Network design and implementation, e-commerce system enabling solutions, applications development, system consultation, StoreFront application services and Web design and hosting services.

The Company will nominate a director to the board of Tricom upon Completion.

Reasons for the subscription

The principal activities of the Company are property and financial investment, entertainment and leisure business, and merchandise manufacturing and trading. The Board believes that the subscription presents an excellent opportunity for the Company to diversify its existing businesses into technology related business. The subscription will complement the Company's business engagement in software development, system integration, e-solution, e-commerce, and operating of training and certification centres. The Company and its shareholders will certainly benefit from the synergy of such combination.

The Board considers the terms of the subscription to be fair and reasonable and in the best interests of the Company.

Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities.

By Order of the Board
Duncan Chiu
Deputy Managing Director